

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Policies and Rules Implementing)
the Telephone Disclosure and)
Dispute Resolution Act)

CC Docket No. 94-22

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

REPLY COMMENTS OF SPRINT

Sprint Corporation, on behalf of Sprint Communications Company L.P. and the United and Central Telephone companies, hereby respectfully submits its reply comments pursuant to the Order on Reconsideration and Further Notice of Proposed Rule Making, released August 31, 1994 (FCC 94-200) ("FNPRM"). The discussion below corresponds to the proposed rule changes.

I. SECTION 64.1501(b)

In its initial Comments filed on October 11, 1994, Sprint explained that under the proposed rules it would be required to withdraw its information service product. Sprint therefore advocated modifying the Commission's proposed definition of "presubscription or comparable arrangement" to allow common carriers to provide information services over 800 numbers used to provide operator or other call completion services under certain conditions.

MCI also expressed concern that the proposed "rules would seriously impede the manner in which business in the electronic marketplace will be conducted and, therefore, would

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have a negative effect on legitimate commerce." MCI at 3-4.¹ MCI therefore suggests that the Commission "exempt-out enhanced services and information services provided in connection with basic tariffed services." MCI at 7, footnote omitted. Sprint agrees that the provision of enhanced services, as defined by the Commission in Section 64.702(a), by common carriers over 800 numbers as an adjunct to basic call completion services should not be restricted by the Commission's Pay-Per-Call and 800 Services rules. More specifically, Sprint suggested in its comments (at 2-4) that common carriers' calling cards be considered to constitute a presubscribed or comparable arrangement when (1) the information service is provided over the same 800 number as used by the carrier for tariffed operator or call completion services, (2) the customer establishes account through a separate call to a different telephone number, or alternatively purchases a prepaid calling card, and (3) the information service does not constitute more than 5 percent of the common carrier's gross revenue obtained from calling card services.

MCI also suggests that debit cards should be "deemed to create a 'presubscription agreement.'" Id., fn. 18. Sprint agrees with this suggestion. Both the debit card and the prepaid card create direct payment relationships between the common carrier and the customer. In its comments, Sprint

¹ MCI provides services such as weather information and voice mail over the 800 MCI Card product number.

suggested that a prepaid calling card is an alternative to the establishment of an account with a common carrier. When a customer purchases a prepaid card, the common carrier's services are paid for "up-front." The arrangement is clearly not an "instant" presubscription, about which the Commission is concerned. Further, because the customer buying and using the card may be considered the "subscriber," it is unlikely that calls placed to the information service would be made by anyone other than the "subscriber." Thus, service provided using a prepaid card is unlikely to be subject to the abuse of someone other than the "subscriber" placing the calls.

II. SECTION 64.1504(b)

Sprint agrees with AT&T that "there are definite limitations on a carrier's ability to enforce the Commission's restriction" against transferring callers to 800 numbers to information services unless a presubscribed or comparable arrangement exists. AT&T at 6-7. As AT&T notes, carriers do not have the capability to restrict the transfer of a call made through customer equipment, nor do carriers know if a presubscribed or comparable arrangement exists. Sprint therefore supports AT&T's suggestion that the Commission require carriers to investigate complaints and terminate the customer's 800 service if the customer is not in compliance with the Commission's rules. Further, if 800 service is terminated for non-compliance, Sprint suggests that the 800 number not be reassigned to any customer for six months. This

restriction will block the IP from switching to another carrier and continuing to use the 800 number.

III. SECTION 64.1504(c)

One widespread scheme which is now in vogue to avoid the Commission's rules is to instruct an 800 caller during the 800 call to dial additional digits which result in connecting the caller to an international number or other toll number. To restrict this practice, Sprint suggests that the Commission define a "call," as used in the proposed section, as beginning when the caller starts dialing an 800 number and as ending when the caller hangs up. Under this definition, an IP would be prohibited from charging for information provided between the time the customer calls the 800 number and the time the customer hangs up. Any international call, or any other calls which the customer is induced to place after having dialed an 800 number, would be prohibited, absent a preexisting, valid presubscription or comparable arrangement.

IV. SECTION 64.1510(b)(1)

Section 64.1510(b)(1), as proposed, requires common carriers to "obtain[] evidence that a presubscription or comparable arrangement has been established in accordance with Section 64.1501(b) with the person being billed and address the bill to that person" prior to billing for the information service. If the Commission requires a written presubscription agreement for information services, Sprint agrees with AT&T that "IPs should be required to certify to the billing carrier

that the requisite written agreement exists and to produce the agreement, if a customer disputes billing of the IP's charges." AT&T at 13. The billing carrier should be allowed to rely, at least in the first instance, upon such certification as evidence of compliance. If the billing carrier does not have a direct contractual relationship with the IP, the IP's billing clearinghouse should be required to obtain such certifications from all of its customers and provide such certifications to the billing carrier. Should the IP's certifications prove to be false, the billing clearinghouse should be required to terminate all billing services for such IP.

A requirement to determine in each instance if a valid presubscription or comparable arrangement exists prior to billing would be impractical and extremely cumbersome. The billing carrier cannot maintain separate data bases of each IP's customers to validate against prior to billing, nor can the billing carrier review copies of the written agreement for each call.² A certification process, with penalties for inaccurate information, should protect consumers from unscrupulous IPs.

² United's and Central's billing systems, designed in accordance with industry standards, are fully mechanized. If a message is correctly formatted and is not a 900 number, United and Central cannot distinguish an information service message from any other message. If the Commission requires a determination in each instance of a valid presubscription or comparable arrangement, the standard message format would have to be modified to allow for identification of information service calls placed over 800 number.

Thus, Sprint urges the Commission to modify its proposed rule to place a requirement of certifying compliance with Section 64.1501(b) on the IP and to allow the billing carrier to rely upon such certification, in the first instance.

V. **SECTION 64.1510(b)(2)**

The Commission is further proposing to require

for each presubscribed information service charge made, the type of service; the name and business telephone number of the service provider; the amount of the charge; the telephone number actually dialed; and the date, time, and for calls billed on a time-sensitive basis, the duration of the call.

If the Commission requires information as to the identity of the IP (e.g., the name and business telephone number of the service provider) to be printed on the customer bill, the local exchange companies' billing systems will have to be modified. The information would either have to be transmitted on a per call or be contained in extensive look-up tables. Clearly, such modification will require a significant amount expense. In addition, the required information would cause the bill to be voluminous and potentially confusing to customers.

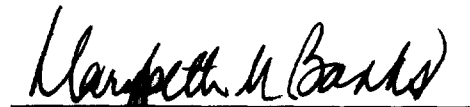
Sprint does not believe that the benefits of providing the name and business telephone of the service provider to consumers on a per call basis outweigh the costs. Rather, the protection the Commission seeks to provide customers will derive primarily from the requirement for a written agreement. In addition, the proposed requirement that "the telephone

number actually dialed" appear on the bill will ensure that the caller is provided with 800 number dialed to initiate the call. The Commission can also impose certain penalties for failure of IPs to comply with its rules, such as the loss of 800 numbers and the inability to use billing clearinghouses, as proposed herein. Thus, Sprint opposes the proposed change to the billing statement to include information as to the identify of the IP for each call.

In summary, Sprint urges the Commission to modify its proposed rules as discussed above to avoid overly burdensome restrictions on legitimate information services and to place the burden of certification with the Commission's rules on the IPs.

Respectfully submitted,

SPRINT CORPORATION



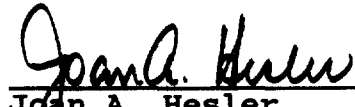
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October 31, 1994

CERTIFICATE OF SERVICE

I, Joan A. Hesler, hereby certify that on this 31st day of October, 1994, a true copy of the foregoing "**REPLY COMMENTS**" in the matter of Policies and Rules Implementing the Telephone Disclosure and Dispute Resolution Act, CC Docket No. 93-22, was served U.S. First Class Mail, Postage Prepaid, or Hand Delivered, upon each of the parties listed below:


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